
Purpose	Provide an overview of the vendor management component of the Nebraska WIC Program and definitions.
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Overview	The vendor management component of the Nebraska WIC Program includes the following major areas:
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- Selection and authorization,
- Training and education, and
- Monitoring and follow-up.

WIC staff seek to strengthen the Program so as to authorize only those stores which offer a clean and sanitary environment for the WIC shopper, provide the nutritious WIC foods at a competitive price so as to make the most efficient use of Program funds, and assure adequate participant convenience and access.

The educational component of vendor management is also an area of emphasis and development. We believe that a strong training and educational program for store management and staff is essential and will help prevent problems from occurring or becoming major concerns.

Once a store is authorized, monitoring must be completed so that if a store is not following Program procedures the problem can be detected, follow-up conducted, and appropriate action taken with the store.

In developing policies and procedures staff follows guidelines mandated by Federal Regulations and input is sought from Department counsel, USDA, and local agency staff. A vendor management task force made up of local WIC agency vendor management staff is also a very valuable resource group to state staff in the development of procedures.

We seek to develop a cooperative spirit, a partnership with the WIC retailer, an important component of vendor management. Input is sought from the retail community through various means.

The Nebraska WIC Program strives to foster a strong and cooperative vendor management spirit in bringing together the WIC vendor management staff and the WIC retailer to provide an essential component of the WIC Program, nutritious foods to the WIC mothers,

infants, and children.

Definitions

Above 50 percent vendors--vendors that derive more than 50 percent of their annual food sales revenue from WIC food instruments, and new vendor applicants expected to meet this criterion under guidelines approved by FNS.

Adverse Action--punitive action, or penalty such as a sanction, imposed as a result of noncompliance with WIC regulations, policies or procedures.

Authorized supplemental WIC foods--those supplemental foods authorized by the State or local agency for issuance to participants.

Cash-value voucher--means a fixed-dollar amount check, voucher, electronic benefit transfer (EBT) card or other document which is used by a participant to obtain authorized fresh fruits and vegetables. Referred to as the Fruit and Vegetable check.

Compliance buy--a covert, on-site investigation in which a representative of the Program poses as a participant, parent or caretaker of an infant or child participant, or proxy, transacts one or more food instruments, and does not reveal during the visit that he or she is a program representative.

Contract brand Infant formula--all infant formulas (except exempt infant formulas) produced by the manufacturer awarded the infant formula cost containment contract. If under a single solicitation the manufacturer subcontracts for soy-based infant formula, then all soy-based infant formulas covered by the subcontract are also considered contract brand infant formulas. If separate bids are issued for milk-based and soy-based infant formulas, all infant formulas issued under each contract are considered the contract brand infant formula

Department--the Nebraska Department of Health and Human Services. May also be referred to as the State Agency.

Disqualification--the act of ending the Program participation of a participant, authorized food vendor, or authorized State or local agency, whether as a punitive sanction or for administrative reasons.

Exempt infant formulas- an infant formula that meets the requirements for an exempt infant formula under section 412(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 350a(h)) and the regulations at 21 CFR parts 106 and 107. May also be referred to as medical formula, special formula.

Food costs--the costs of supplemental foods, determined in accordance with Sec. 246.14(b).

Food delivery system--the method used by State and local agencies to provide supplemental foods to participants.

Food instrument--a voucher, check, electronic benefits transfer card (EBT), coupon or other document which is used by a participant to obtain supplemental foods. May also be referred to as the WIC check. There are two types of WIC checks: Regular WIC Check and Fruit and Vegetable Check. Reference to a WIC check includes both the Regular WIC Check and the Fruit and Vegetable Check.

- Regular WIC Check: The specific WIC supplemental foods and the quantities of those foods are identified on the check.
- Fruit and Vegetable WIC Check: The maximum dollar amount of authorized fresh fruits and fresh vegetables is identified on the check.

Food sales--sales of all Food Stamp Program eligible foods intended for home preparation and consumption, including meat, fish, and poultry; bread and cereal products; dairy products; fruits and vegetables. Food items such as condiments and spices, coffee, tea, cocoa, and carbonated and noncarbonated drinks may be included in food sales when offered for sale along with foods in the categories identified above. Food sales do not include sales of any items that cannot be purchased with food stamp benefits, such as hot foods or food that will be eaten in the store.

Full service grocery store--must primarily be a retailer of groceries rather than other merchandise such as gasoline, beverages or snack foods

High-risk vendor--a vendor identified as having a high probability of committing a vendor violation through application of the criteria established in Sec. 246.12(j)(3) and any additional criteria established by the State agency.

Infant formula--food that meets the definition of an infant formula in section 201(z) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(z)) and that meets the requirements for an infant formula under section 412 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 350a) and the regulations at 21 CFR parts 106 and 107. May also be referred to as contract infant formula, medical formula, special formula.

Inventory audit--the examination of food invoices or other proofs of purchase to determine whether a vendor has purchased sufficient quantities of supplemental foods to provide participants the quantities specified on food instruments redeemed by the vendor during a given period of time.

Investigation--a method used by the State WIC office to determine if violations are occurring.

Local agency--(a) A public or private, nonprofit health or human service agency which provides health services, either directly or through contract, in accordance with Sec. 246.5; (b) an IHS service unit; (c) an Indian tribe, band or group recognized by the Department of the Interior which operates a health clinic or is provided health services by an IHS service unit; or (d)

an intertribal council or group that is an authorized representative of Indian tribes, bands or groups recognized by the Department of the Interior, which operates a health clinic or is provided health services by an IHS service unit.

Non-contract brand infant formula--all infant formula, including exempt infant formula, that is not covered by an infant formula cost containment contract awarded by that State agency.

Participant--pregnant women, breastfeeding women, postpartum women, infants and children who have been certified to be eligible for WIC and are receiving supplemental foods or food instruments under the Program, and the breastfed infants of participant breastfeeding women. The term clients may also be used to refer to participants.

Participant violation--any intentional action of a participant, parent or caretaker of an infant or child participant, or proxy that violates Federal or State statutes, regulations, policies, or procedures governing the Program. Participant violations include intentionally making false or misleading statements or intentionally misrepresenting, concealing, or withholding facts to obtain benefits; exchanging cash-value vouchers, food instruments or supplemental foods for cash, credit, non-food items, or unauthorized food items, including supplemental foods in excess of those listed on the participant's food instrument; threatening to harm or physically harming clinic, farmer or vendor staff; and dual participation.

Pattern--based on the type, severity, and number of the incidences of the violation.

Program--the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) authorized by section 17 of the Child Nutrition Act of 1966, as amended.

Proxy--any person designated by a woman participant, or by a parent or caretaker of an infant or child participant, to obtain and transact food instruments or to obtain supplemental foods on behalf of a participant. The proxy must be designated consistent with the State agency's procedures established pursuant to Sec. 246.12(r)(1). Parents or caretakers applying on behalf of child and infant participants are not proxies. May also be referred to as alternate shopper.

Routine monitoring--overt, on-site monitoring during which program representatives identify themselves to vendor personnel.

Sanction—an administrative action taken as a result of a violation.

Special purchase store--a store or pharmacy authorized to accept WIC checks for exempt formulas and WIC eligible medical foods only

State WIC Vendor Management Coordinator—the person at the Nebraska

Department of Health and Human Services who works with the vendors and the local vendor managers.

Supplemental foods--those foods containing nutrients determined to be beneficial for pregnant, breastfeeding, and postpartum women, infants and children, as prescribed by the Secretary in Sec. 246.10.

Vendor--a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the State agency to provide authorized supplemental foods to participants under a retail food delivery system. Each store operated by a business entity constitutes a separate vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location.

Vendor authorization - the process by which the State agency assesses, selects, and enters into agreements with stores that apply or subsequently reapply to be authorized as vendors.

Vendor overcharge--intentionally or unintentionally charging the State agency more for authorized supplemental foods than is permitted under the vendor agreement. It is not a vendor overcharge when a vendor submits a food instrument for redemption and the State agency makes a price adjustment to the food instrument.

Vendor peer group system--a classification of authorized vendors into groups based on common characteristics or criteria that affect food prices, for the purpose of applying appropriate competitive price criteria to vendors at authorization and limiting payments for food to competitive levels.

Vendor selection criteria--the criteria established by the State agency to select individual vendors for authorization consistent with the USDA requirements.

Vendor violation--any intentional or unintentional action of a vendor's current owners, officers, managers, agents, or employees (with or without the knowledge of management) that violates the vendor agreement or Federal or State statutes, regulations, policies, or procedures governing the Program.

Violation—an infraction of Program regulations, policies, or agreements.

WIC-eligible medical foods--certain enteral products that are specifically formulated to provide nutritional support for individuals with a qualifying condition, when the use of conventional foods is precluded, restricted, or inadequate. Such WIC-eligible medical foods must serve the purpose of a food, meal or diet (may be nutritionally complete or incomplete) and provide a source of calories and one or more nutrients; be designed for enteral digestion via an oral or tube feeding; and may not be a conventional

food, drug, flavoring or an enzyme. WIC eligible medical foods include many, but not all, products that meet the definition of medical food in Section 5(6)(3) of the Orphan Drug Act (21 U.S.C. 360ee(b)(3)). May also be referred to as special formulas, medical formulas.

WIC Vendor--a sole proprietorship, partnership, cooperative association, corporation, or other business entity operating one or more stores authorized by the State agency to provide authorized supplemental foods to participants under a retail food delivery system. Each store operated by a business entity constitutes a separate vendor and must be authorized separately from other stores operated by the business entity. Each store must have a single, fixed location. May also be referred to as WIC approved vendor, WIC retailer, WIC store, WIC grocery store, WIC special purchase store.

WIC Vendor Manager—the person in each Local Agency who works with the vendors.

WIC--the Special Supplemental Nutrition Program for Women, Infants and Children authorized by section 17 of the Child Nutrition Act of 1966, 42 U.S.C. 1786. WIC may also be referred to as the WIC program, or the program.